



BEFORE THE ARIZONA CORPORATION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

Arizona Corporation Commission

DOCKETED

JAN 22 2015

DOCKETED BY

nr

IN THE MATTER OF THE APPLICATION
OF SULPHUR SPRINGS ELECTRIC
COOPERATIVE, INC. FOR APPROVAL OF
A NEW CONTRACT POWER RATE
UNDER SCHEUDLE CP FOR
NATURESWEET, USA

DOCKET NO. E-01575A-14-0384

DECISION NO. **74908**

ORDER

Open Meeting
January 13 and 14, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Sulphur Springs Electric Cooperative, Inc. ("SSVEC" or "Cooperative") is
certificated to provide electric service as a public service corporation in the State of Arizona.

2. On November 05, 2014, SSVEC filed an application for an electric service agreement
("Agreement") with NatureSweet USA, Inc. ("NatureSweet") using Schedule Contract Power Service
("Schedule CP"). Schedule CP is available to customers who have a monthly demand in excess of
1,000 kilovolt-ampere ("kVA") and whose rate is then customized based on the cost to serve the
customer.

Background

3. NatureSweet acquired the property formerly used by EuroFresh Inc. when EuroFresh
declared bankruptcy. This property is served by a substation built for EuroFresh to serve its

...

1 approximately 250 acres of greenhouses. All greenhouses are served from a single meter located in
2 the substation ("Bonita Sub") and, under the previous power contract with EuroFresh, the cost of this
3 "dedicated" substation was paid as part of the contract power agreement.

4 4. NatureSweet agreed to continue to pay for the "dedicated substation" in the form of
5 an "increased service availability charge" ("ISAC") as they have been operating on Schedule IP
6 ("Industrial Power Service"), that being the most cost-effective non-contract rate available.
7 NatureSweet has requested that SSVEC keep the ISAC format in the power contract for its internal
8 cost accounting. The ISAC will continue until 120 payments have been made over the course of the
9 current use of Schedule IP and the new proposed Agreement.

10 5. NatureSweet has been operating under Schedule IP since October 20, 2013. As of
11 December 1, 2014, NatureSweet had made 13 ISAC payments of \$8,675.23 per month, resulting in a
12 remaining ISAC balance of \$928,252.00.

13 Contract

14 6. The term of the proposed Agreement is ten years beginning on the first day of the
15 month following the date on which the Arizona Corporation Commission ("ACC") approves the
16 Agreement. If the Cooperative's service territory is open to electric competition ("open access"),
17 NatureSweet has the right to terminate the Agreement at any time to obtain direct access service with
18 180 days prior notice. At the end of the ten year initial term, subject to mutual agreement of both
19 parties, this Agreement will continue on an annual basis until either party provides a 180 day
20 termination notice.

21 7. Under the proposed Agreement, NatureSweet would pay a monthly service charge of
22 \$250; an energy charge of \$0.075 per kWh for the first 400 kWh/kVA and \$0.045 per kWh for all
23 excess kWh/kVA; and a demand charge of \$5.75 per kVA based on the highest 15-minute kVA
24 demand with a minimum demand of 6,000 kVA. NatureSweet would also pay fuel adjustments, the
25 ISAC, and all required taxes and assessments imposed on the sale of electricity.

26 8. Beginning with the fifth year of the Agreement, the monthly service charge, energy
27 charge, and demand charge would be indexed to similar charges in Schedule IP. When the ACC
28 ...

9. Using historical consumption data for the most recent twelve months, Staff expects that NatureSweet would pay an average of \$0.1037 per kWh including taxes under the proposed Agreement if the usage remained the same. The Cooperative has indicated that NatureSweet plans on using the greenhouses in a different manner than EuroFresh. If NatureSweet is able to change its load profile, then it could realize additional savings. If NatureSweet's load profile goes unchanged, the proposed Agreement would provide a rate slightly lower than the IP rate. The revenues to be received by SSVEC would cover the Cooperative's marginal cost of providing power.

CONCLUSIONS OF LAW

2. The Commission has jurisdiction over Sulphur Springs Electric Cooperative, Inc. and over the subject matter of the application.

[illegible]

ORDER

IT IS THEREFORE ORDERED that the proposed Agreement between Sulphur Springs Electric Cooperative, Inc. and NatureSweet USA, Inc. be and hereby is approved.

IT IS FURTHER ORDERED that approval of the Agreement at this time does not guarantee any future rate-making treatment of the Agreement between Sulphur Springs Electric Cooperative, Inc. and NatureSweet.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

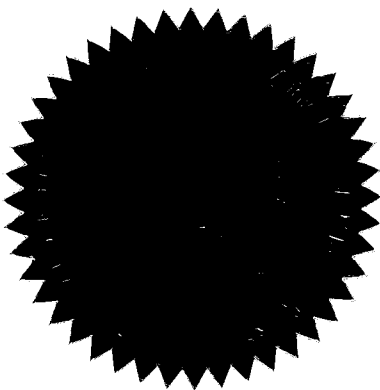

CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 21st day of January, 2015.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:EMV:sms\BES

1 SERVICE LIST FOR: Sulphur Springs Valley Electric Cooperative, Inc.
2 DOCKET NO. E-01575A-14-0384

3 Mr. David Bane
4 Key Account Manager
5 SSVEC
6 311 E. Wilcox
7 Sierra Vista, AZ 85635

8 Mr. Steven M. Olea
9 Director, Utilities Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ms. Janice M. Alward
14 Chief Counsel, Legal Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007
18
19
20
21
22
23
24
25
26
27
28